

Utah Money Management Council

350 N STATE STREET, SUITE 180
PO BOX 142315
SALT LAKE CITY, UTAH 84114-2315
TEL: (801) 538-1883
FAX: (801) 538-1465



MONEY MANAGEMENT COUNCIL MEETING
THURSDAY SEPTEMBER 15, 2016
AT THE UTAH STATE TREASURER'S OFFICE
350 NORTH STATE STREET
SUITE 180
3:00 PM

A G E N D A

1. APPROVAL OF MINUTES OF AUGUST 18, 2016 MEETING
2. MONTHLY AND QUARTERLY REPORTS
 - A) Division of Securities
 - B) Department of Financial Institutions
 - C) Deposit and Investment report update
 - i) Reports with questions-Follow up
3. REVIEW OF CHANGES TO THE ACT
4. OTHER BUSINESS AS NEEDED
5. SCHEDULE NEXT MEETING AND ADJOURN

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Kathy Wilkey, Administrative Assistant, at Room 180 State Capitol Building, (801) 538-1468.

Marina Scott, Chair
Salt Lake City
451 S State Street, Rm 228
Salt Lake City UT 84111
Phone (801) 535-6565
marina.scott@slcgov.com

Douglas L DeFries, Vice Chair
Bank of Utah
2605 Washington Blvd.
Ogden, UT 84401
Phone (801)-409-5175
ddefries@bankofutah.com

Wayne C. Cushing
Salt Lake County
2001 South State Street N1-200
Salt Lake City, UT 84114
Phone (385)-468-8305
kwaynecushing@slco.org

Mark Hill
Zions Capital Advisors
One South Main St, 12th Floor
Salt Lake City, Utah 84133
Phone (801) 844-7489
mark.hill@zionsbank.com

Corrie Forsling
Summit County
60 North Main Street
Coalville, Utah 84017
Phone (435)-336-3267
cforsling@summitcounty.org

STATE MONEY MANAGEMENT COUNCIL-MINUTES
THURSDAY AUGUST 18, 2016

The regular meeting of the State Money Management Council was held in the Offices of the Utah State Treasurer, 350 North State Street, Suite 180, at 3:00 p.m., Thursday August 18, 2016. In attendance were:

Marina Scott, Chair
Doug DeFries, Vice Chair
Wayne Cushing
Mark Hall
Corrie Forsling
Ann Pedroza, Staff
Kirt Slaugh, Deputy State Treasurer
Daryl Rudé, Division of Financial Institutions
Michele Black, Securities Division
Andy Robbins, Moreton Asset Management
Jason Williams, Moreton Asset Management
Scott Burnett, Zions Wealth Advisors

Minutes of June 16, 2016 and July 14, 2016 Meetings

The minutes of the June 16, 2016 meeting and the July 14, 2016 teleconference meeting were approved unanimously with changes as noted.

Monthly Reports

Securities Division:

Ms. Black provided the Council with lists for Certified Dealers noting that there are three new agents, one for Baird and two for Wells Fargo. Council discussed the changes and then reviewed the lists briefly. There were no changes for the Certified Investment Advisers.

Financial Institutions' Report:

Mr. Rudé discussed the June 30, 2016 report noting that Gunnison Valley Bank's usage of their allotment was at 78% which is high but down from the previous months. Mr. Rudé informed the Council that there was nothing else of note on the allotment usage. Council discussed the report briefly.

Deposit and Investment report update:

Ms. Pedroza noted that there were 160 reports outstanding for the report date of June 30, 2016. Ms. Pedroza informed the Council that she had checked with the Auditor's Office concerning entities that had old outstanding reports, and only one of the entities, Bristlecone Water was inactive. She will follow up to see if a letter from the Attorney General would be warranted. Ms. Pedroza then informed the Council that Solitude Improvement Dist., is now back in compliance with the Act. Council reviewed the reports briefly.

Acceptance of Reports:

It was motioned and seconded, and all of the above reports were accepted unanimously.

Ms. Scott noted that there was a new Council member in attendance and asked Ms. Forsling to briefly introduce herself.

Discussion on Investment of Local Government OPEB Trust Funds

Ms. Scott asked Mr. Cushing to review this item as he has requested it be on the agenda. Mr. Cushing noted that the county has just begun to set up OPEB funds and in looking at investment options they wondered if there were other longer term options available. Mr. Cushing asked Mr. Williams to address the issue. Mr. Williams noted that under Section 51-7-2(7), State OPEB funds are exempted from the Act and inquired as to whether it could be interpreted that because these funds are exempted then other local government OPEB funds are exempted. Also, he inquired if it could be interpreted that in between 51-7-12.2(3)(a) and (b) there are other intermediate term investments? It was noted that in order to be exempted from the requirements of the Act it has to explicitly state that in the Act. Additionally, that there is not a range between the two allowances and that counties of the first class do have the option of investing in some securities up to ten years in maturity. Council discussed this at length and Mr. Slauch noted that there was language in a bill submitted last year by the Council, that did not pass and that had language in it that allows public treasurers to bring in requests for exemptions to the Act with substantial justification. Council discussed that at length and Mr. Cushing noted that he was fine with that approach. Council then asked to review the language in the next meeting

Schedule Next Meeting

The Council then scheduled the next regular meeting for September 15, 2016 at 3:00 p.m. With no other business before the Council, they adjourned at 3:41 p.m.

June 2016
Late D&I reports
As of 9/15/16

Fountain Green City
Laketown City
Lewiston City
Mendon City
Sunset City

College/Young MAD#1
Tooele Valley MAD
East Garland Cemetery
Garden City Cemetery

Utah Municipal Finance Agency
Cedar Mtn Fire Protect Dist
Mt. Green Fire Dist
Ticaboo Utility Imp Dist
Tri-City Interlocal Agency (Fox Hills)

Alpine S/D Foundation
Park City Education Foundation

Tintic S/D

Austin Community SS Dist
Daggett Co Serv Area #1
Duchesne Co SS Dist #2
Eastland SS Dist
Fruitland Water Imp Dist
Mexican Hat SS Dist
New Harmony Valley SS Dist
North Fork SS Dist
North Sanpete Ambulance Service
Sevier Co SS Dist #1
Wasatch Co Serv Area #1
Weber Human Services
White Hills SS Dist

Clawson Town
Cornish Town
Elmo Town
Emery Town
Goshen Town
Orderville Town

Rush Valley Town
Scipio Town
Scofield Town
Sterling Town

Utah College of Applied Tech
Mountainland ATC

American Fork Metro Wtr Dist
Benjamin Drainage Dist
Box Elder/Willard Fld Control DD
Bristlecone Wtr Imp Dist
Cache Co Drain Dist #5
Cache Co Drain Dist #6
Cedarview Montwell SS Dist
E Duchesne Culinary Wtr Imp Dist
East Lewiston Drainage Dist #4
Elwood Drainage Dist
Hansel Valley Wtrshed Dist
Hooper Water Imp Dist
Iowa String Drain Dist
Long Valley Swr Imp Dist
Millard Co Drain Dist #2
Millard Co Drain Dist #4
Millard Co Wtr Cons Dist
Powder Mtn Wtr/Swr Imp Dist
Sanpete Co Wtr Cons Dist
Starvation Reservoir Cul Wtr Assn
Timberlakes Wtr SS Dist
Upper Sevier River Wtr Cons Dist
Weber Co Servi Area #5 (Liberty Park)
Wide Hollow Wtr Cons Dist

Wasatch Institute of Technology



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Dealer List
DATE:	September 15, 2016

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council:

Wells Fargo Advisors, LLC

Agents: Michael Kronbetter
Massieh Mojab
Jane Fielding
Maggie Peat
William Burton
Andrew Paul
Doug Chin
Chris Pocino

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Dealer
DATE:	September 15, 2016

The following is the list of Certified Dealers and Agent(s) effective **September 15, 2016:**

Barclays Capital Inc.

Agents:	✓ Peter Bjurstein	555 California Street, 30th Floor San Francisco, CA 94104
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BNP Paribas Securities Corp.

Agents:	✓ Kathleen Cooney	787 Seventh Avenue New York, NY 10019
	✓ Amit Ashok Jugal	2527 Camino Ramon San Ramon, CA 94583
	✓ Hanan Levin	7101 College Boulevard Suite 550 Overland Park, KS 66210
	✓ Robert McAndrew	787 Seventh Avenue New York, NY 10019
	✓ Paul Thomas Montaquila	2527 Camino Ramon San Ramon, CA 94583
	✓ Anthony Hoan Pham	" "
	✓ W. Hampton B. Smith Jr.	787 7 th Avenue New York, NY 10019
	✓ Dominic Aaron Wallace	2527 Camino Ramon San Ramon, CA 94583

DA Davidson & Co.

Agents:	✓ Marcus A. Nield	7730 Union Park Avenue Suite 220 Midvale, UT 84047
	✓ Staci Salinas	" "

George K. Baum & Company

Agents: ✓ Susan P. Gardner
✓ Joseph C. Higginbottom
✓ Frederic H. Jones
✓ Stephen L. Strong
✓ Brett C. Turnbull

4801 Main Street, Suite 500
Kansas City, MO 64112
1400 Wewatta Street, Suite 800
Denver, CO 80202
15 West South Temple, #1090
Salt Lake City, UT 84101
" "

4801 Main Street, Suite 500
Kansas City, MO 64112

Incapital LLC

Agents: ✓ William H. Money III

299 South Main Street, Suite 1317
Salt Lake City, UT 84111

Jefferies LLC

Agents: ✓ Andrew Davidoff
✓ Thomas Lifson

11100 Santa Monica Boulevard
Los Angeles, CA 90025
101 California Street 31st Floor
San Francisco, CA 94111

LPL Financial LLC

Agents: ✓ Craig P. Adams
✓ Stephen H. Beierlein
✓ David Shipley

5929 South Fashion Pointe Drive, Suite 204
Ogden, UT 84403
5929 South Fashion Point Drive
Ogden, UT 84403
180 N. University Avenue Suite 140
Provo, UT 84601

Morgan Stanley

Agents: ✓ Cody Adams
✓ Paul Barton
✓ Deidre M. Cortney
✓ Johnthomas L. Cumbow
✓ Douglas Felt
✓ Phil Fonfara
✓ Thomas E. Nielson

60 East South Temple 20th Floor
Salt Lake City, UT 84111
6510 S. Millcreek Drive, Suite 100
Holladay, UT 84121
3033 East 1st Avenue, Suite 820
Denver, CO 80206
50 North Laura Street, Suite 2000
Jacksonville, FL 32202
60 E. South Temple
Salt Lake City, UT 84111
750 Lindaro Street
San Rafael, CA 94901
6510 S. Millrock Drive, Suite 100
Holladay, UT 84121

Morgan Stanley cont.

Agents: ✓ John R. Ott
✓ Brian Parcell

750 Lindaro Street
San Rafael, CA 94901
60 E. South Temple
Salt Lake City, UT 84111

✓ Angela Leach Pizzichini

✓ Joseph A. Ranucci

✓ Michael Ruzek

✓ Michael Wallblom

3033 East 1st Avenue, Suite 820
Denver, CO 80206
50 North Laura Street, Suite 2000
Jacksonville, FL 32202
1441 West Ute Boulevard Suite 180
Park City, UT 84098
2 Union Square, 601 Union Street
Seattle, Wa 98101

Moreton Capital Markets, LLC

Agents: ✓ Benjamin Byington
✓ Jordan Hansen
~~Brandon Hodge~~
✓ Larry Lundberg
✓ Andrew Robbins
✓ Ryan Stoker
✓ Jason Williams

101 South 200 East, Suite 300
Salt Lake City, UT 84111

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Multi-Bank Securities, Inc.

Agents: ✓ John Pedersen

6975 Union Park Avenue, Suite 600
Cottonwood Heights, UT 84047

Raymond James & Associates, Inc.

Agents: ✓ Mark McKinnon

2825 East Cottonwood Parkway, Suite 500
Salt Lake City, UT 84124

RBC Capital Markets, LLC

Agents: ✓ Eric Ajlouny
✓ Scott Chappell
✓ David Fahey
✓ Walter Hall
✓ John Hallgren

345 California Street
San Francisco, CA 94104
299 S. Main Street Suite 2000
Salt Lake City, UT 84111-2280
" "
345 California, 29th Floor
San Francisco, CA 94104
299 South Main Street, Suite 2000
Salt Lake City, UT 84111

RBC Capital Markets, LLC cont.

Agents: ✓ Ronald N. Mason
✓ Brent Peterson

✓ Patrick Porter

✓ John Styrbicki

✓ Sam Vetas

✓ Michael Zetahmeyer

" "
805 SW Broadway, Suite 1800
Portland, OR 97205
299 South Main Street, Suite 2000
Salt Lake City, UT 84111
60 South 6th Street
Minneapolis, MN 55402
299 South Main Street, Suite 2000
Salt Lake City, UT 84111-2280
60 South 6th Street
Minneapolis, MN 55402

Robert W. Baird & Co. Incorporated

Agents: ✓ Donald Eckstein

✓ Dean R. Cottle

✓ Cathleen Gillies

4017 Hillsboro Pike Suite 403
Nashville, TN 37215
222 South Main Street, Suite 1840
Salt Lake City, UT 84101
210 University Boulevard Suite 210
Denver, CO 80206

UBS Financial Services Inc.

Agents: ✓ Barry B. Bowen

✓ John Duke

✓ Jim Madden
✓ Nat Mosley

299 South Main, Suite 2100
Salt Lake City, UT 84111
100 Crescent Court, Suite 600
Dallas, TX 75201

" "
"

Wells Fargo Advisors LLC

Agents: ✓ R. Dane Bradshaw

✓ Josh G. Burgon
✓ Mathew Hufford

✓ Daniel Payne

✓ David Payne
✓ Timothy Payne
✓ Christopher Soutas

6550 South Millrock Drive #G50
Holladay, UT 84121

" "

2455 Parleys Way, Suite 250
Salt Lake City, UT 84109
201 South Main Street, Suite 160
Salt Lake City, UT 84101

" "
"

2455 Parleys Way, Suite 250
Salt Lake City, UT 84109

Wells Fargo Securities LLC

Agents: William Burton

✓ Joseph Celentano

Doug Chin

Randy Church

✓ Thomas Degenars

✓ David Dunmire

Jane Fielding

✓ Brandon Hodge

✓ Larry Horning

Michael Kronbetter

Massieh Mojab

Andrew Paul

Maggie Peat

Chris Pocino

✓ Daniel F. Quigley

✓ Mark Sagin

✓ Sarah Taylor

999 3rd Avenue 11th Floor

Seattle, WA 98104

45 Fremont Street 34th Floor

San Francisco, CA 94105

999 3rd Avenue 11th Floor

Seattle, WA 98104

299 South Main Street

Salt Lake City, UT 84111

100 West Washington 17th Floor

Phoenix, AZ 85003

700 Washington Street 5th Floor Suite 506

Vancouver, WA 98660

45 Fremont Street 34th Floor

San Francisco, CA 94105

999 3rd Avenue 11th Floor

Seattle, WA 98104

999 3rd Avenue 11th Floor

Seattle, WA 98104

400 Capitol Mall 7th Floor Suite 703

Sacramento, CA 95814

45 Fremont Street 34th Floor

San Francisco, CA 94105

999 3rd Avenue 11th Floor

Seattle, WA 98104

45 Fremont Street 34th Floor

San Francisco, CA 94105

2141 Rosencrans Avenue 4th Floor Suite 4100

El Segundo, CA 90245

550 South Tryon Street 4th Floor

Charlotte, NC 28202

999 3rd Avenue

Seattle, WA 98104

"

"

Zions Bank Capital Markets

Agents: ✓ Jacqueline Davies

✓ Neil Decker

✓ Wendy Jones

✓ Brad Mayeda

✓ Daniel Ricks

✓ Ty Roberts

✓ Kathy Sullivan

One South Main Street, 17th Floor

Salt Lake City, UT 84133

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Zions Direct, Inc.

Agents:

Jacqueline Davies

Neil Decker

Wendy Jones

Brad Mayeda

Daniel Ricks

Ty Roberts

Kathy Sullivan

**One South Main Street, 17th Floor
Salt Lake City, UT 84133**

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Name of Entity The Winter Sports School in Park City
Deposits and Investments
as of close of business on
December 31, 2016
(Report must be as of above date)

Basic Instructions

List all checking accounts, savings accounts, certificates of deposit, PTIF accounts, and other investments held as of the reporting date. (ON BANK BALANCES, PLEASE LIST \$ AMOUNT OFF OF BANK STATEMENT). !!Please read instruction sheet for more help!!

[illegible]

Prepared by and Title Alex Jensen- Business Manager

Return To: Utah Money Management Council

PO BOX 142315

Salt Lake City, UT 84114-2315

or email completed form to mmcouncil@utah.gov

Total	1,711,675.03
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Please provide name and/or address change, if applicable

Name The Winter Sports School in Park City

Address 4251 Shadow Mountain Dr.

City, State, ZIP Park City, UT 84098



MMCOUNCIL Treasurer <mmcouncil@utah.gov>

RE: Deposits and Investments Report - The Winter Sports School

1 message

WSS | A Jensen <ajensen@wintersportsschool.org>
To: MMCOUNCIL Treasurer <mmcouncil@utah.gov>

Mon, Sep 12, 2016 at 2:00 PM

Ann,

I apologize for the inconvenience. We were able to liquidate our Fidelity account. Those funds were originally converted into cash so we were able to move them to our Zions savings account before June 30th. Again, I apologize for the delay!

Thank You,

Alex Jensen

From: apedroza@utah.gov [mailto:apedroza@utah.gov] **On Behalf Of** MMCOUNCIL Treasurer
Sent: Wednesday, May 25, 2016 12:45 PM
To: WSS | A Jensen <ajensen@wintersportsschool.org>
Subject: Fwd: Deposits and Investments Report - The Winter Sports School

Alex,

I am following up with you on this issue. Have you been able to find the information requested or have you been able to liquidate this account?

Thanks,

Ann

----- Forwarded message -----

From: MMCOUNCIL Treasurer <mmcouncil@utah.gov>
Date: Mon, Mar 14, 2016 at 4:51 PM
Subject: Re: Deposits and Investments Report - The Winter Sports School
To: WSS | A Jensen <ajensen@wintersportsschool.org>

Alex,

Thanks for the additional information. The issue is with this is not that you are engaging in speculation but that the funds are in a brokerage account and with an entity that is not certified. If the one account labeled cash account is a Fidelity money market mutual fund, you *may* be Ok (I would need more information on the fund), as the Act allows you to use money market mutual funds and also purchase direct from the issuer. The account labeled common stock is

MONEY MANAGEMENT ACT AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Eric K. Hutchings

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill modifies the State Money Management Act by amending provisions relating to money management.

Highlighted Provisions:

This bill:

- specifies the term to final maturity for certain deposits or investments that are invested by a public agency insurance mutual;
- authorizes the state treasurer, county, city, and town treasurers, the clerk or treasurer of each school district, and other public treasurers to procure crime or theft insurance;
- modifies political party requirements for members of the State Money Management Council;
- provides that the State Money Management Council may authorize an exception to certain maturity dates in certain circumstances; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



AMENDS:

51-7-11, as last amended by Laws of Utah 2015, Chapter 171

51-7-15, as last amended by Laws of Utah 2013, Chapters 278 and 388

51-7-16, as last amended by Laws of Utah 2010, Chapter 286

51-7-23, as last amended by Laws of Utah 2015, Chapter 171

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **51-7-11** is amended to read:

51-7-11. Authorized deposits or investments of public funds.

(1) (a) Except as provided in Subsections (1)(b) and (1)(c), a public treasurer shall conduct investment transactions through qualified depositories, certified dealers, or directly with issuers of the investment securities.

(b) A public treasurer may designate a certified investment adviser to make trades on behalf of the public treasurer.

(c) A public treasurer may make a deposit in accordance with Section 53B-7-601 in a foreign depository institution as defined in Section 7-1-103.

(2) The remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested.

(3) Except as provided in Subsection (4), all public funds shall be deposited or invested in the following assets that meet the criteria of Section 51-7-17:

(a) negotiable or nonnegotiable deposits of qualified depositories;

(b) qualifying or nonqualifying repurchase agreements and reverse repurchase agreements with qualified depositories using collateral consisting of:

(i) Government National Mortgage Association mortgage pools;

(ii) Federal Home Loan Mortgage Corporation mortgage pools;

(iii) Federal National Mortgage Corporation mortgage pools;

(iv) Small Business Administration loan pools;

(v) Federal Agriculture Mortgage Corporation pools; or

(vi) other investments authorized by this section;

(c) qualifying repurchase agreements and reverse repurchase agreements with certified dealers, permitted depositories, or qualified depositories using collateral consisting of:

- 59 (i) Government National Mortgage Association mortgage pools;
60 (ii) Federal Home Loan Mortgage Corporation mortgage pools;
61 (iii) Federal National Mortgage Corporation mortgage pools;
62 (iv) Small Business Administration loan pools; or
63 (v) other investments authorized by this section;
64 (d) commercial paper that is classified as "first tier" by two nationally recognized
65 statistical rating organizations, which has a remaining term to maturity of:
66 (i) 270 days or fewer for paper issued under 15 U.S.C. Sec. 77c(a)(3); or
67 (ii) 365 days or fewer for paper issued under 15 U.S.C. Sec. 77d(2);
68 (e) bankers' acceptances that:
69 (i) are eligible for discount at a Federal Reserve bank; and
70 (ii) have a remaining term to maturity of 270 days or fewer;
71 (f) fixed rate negotiable deposits issued by a permitted depository that have a
72 remaining term to maturity of 365 days or fewer;
73 (g) obligations of the United States Treasury, including United States Treasury bills,
74 United States Treasury notes, and United States Treasury bonds that, unless the funds invested
75 are pledged or otherwise deposited in an irrevocable trust escrow account, have a remaining
76 term to final maturity of:
77 (i) five years or less; ~~or~~
78 (ii) if the funds are invested by an institution of higher education as defined in Section
79 53B-3-102, a city of the first class, or a county of the first class, 10 years or less; or
80 (iii) if the funds are invested by a public agency insurance mutual, as defined in
81 Subsection 31A-1-103(7)(a), 20 years or less;
82 (h) obligations other than mortgage pools and other mortgage derivative products that:
83 (i) are issued by, or fully guaranteed as to principal and interest by, the following
84 agencies or instrumentalities of the United States in which a market is made by a primary
85 reporting government securities dealer, unless the agency or instrumentality has become private
86 and is no longer considered to be a government entity:
87 (A) Federal Farm Credit banks;
88 (B) Federal Home Loan banks;
89 (C) Federal National Mortgage Association;

90 (D) Federal Home Loan Mortgage Corporation;
91 (E) Federal Agriculture Mortgage Corporation; and
92 (F) Tennessee Valley Authority; and
93 (ii) unless the funds invested are pledged or otherwise deposited in an irrevocable trust
94 escrow account, have a remaining term to final maturity of:
95 (A) five years or less; [or]
96 (B) if the funds are invested by an institution of higher education as defined in Section
97 53B-3-102, a city of the first class, or a county of the first class, 10 years or less; or
98 (C) if the funds are invested by a public agency insurance mutual, as defined in
99 Subsection 31A-1-103(7)(a), 20 years or less;
100 (i) fixed rate corporate obligations that:
101 (i) are rated "A" or higher or the equivalent of "A" or higher by two nationally
102 recognized statistical rating organizations;
103 (ii) are senior unsecured or secured obligations of the issuer, excluding covered bonds;
104 (iii) are publicly traded; and
105 (iv) have a remaining term to final maturity of 15 months or less or are subject to a
106 hard put at par value or better, within 365 days;
107 (j) tax anticipation notes and general obligation bonds of the state or a county,
108 incorporated city or town, school district, or other political subdivision of the state, including
109 bonds offered on a when-issued basis without regard to the limitations described in Subsection
110 (7) that, unless the funds invested are pledged or otherwise deposited in an irrevocable trust
111 escrow account, have a remaining term to final maturity of:
112 (i) five years or less; [or]
113 (ii) if the funds are invested by an institution of higher education as defined in Section
114 53B-3-102, a city of the first class, or a county of the first class, 10 years or less; or
115 (iii) if the funds are invested by a public agency insurance mutual, as defined in
116 Subsection 31A-1-103(7)(a), 20 years or less;
117 (k) bonds, notes, or other evidence of indebtedness of a county, incorporated city or
118 town, school district, or other political subdivision of the state that are payable from
119 assessments or from revenues or earnings specifically pledged for payment of the principal and
120 interest on these obligations, including bonds offered on a when-issued basis without regard to

the limitations described in Subsection (7) that, unless the funds invested are pledged or otherwise deposited in an irrevocable trust escrow account, have a remaining term to final maturity of:

- (i) five years or less; [or]
 - (ii) if the funds are invested by an institution of higher education as defined in Section 53B-3-102, a city of the first class, or a county of the first class, 10 years or less; or
 - (iii) if the funds are invested by a public agency insurance mutual, as defined in Subsection 31A-1-103(7)(a), 20 years or less;
 - (l) shares or certificates in a money market mutual fund;
 - (m) variable rate negotiable deposits that:
 - (i) are issued by a qualified depository or a permitted depository;
 - (ii) are repriced at least semiannually; and
 - (iii) have a remaining term to final maturity not to exceed three years;
 - (n) variable rate securities that:
 - (i) (A) are rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations;
 - (B) are senior unsecured or secured obligations of the issuer, excluding covered bonds;
 - (C) are publicly traded;
 - (D) are repriced at least semiannually; and
 - (E) have a remaining term to final maturity not to exceed three years or are subject to a hard put at par value or better, within 365 days;
 - (ii) are not mortgages, mortgage-backed securities, mortgage derivative products, or a security making unscheduled periodic principal payments other than optional redemptions; and
 - (o) reciprocal deposits made in accordance with Subsection 51-7-17(4).
- (4) The following public funds are exempt from the requirements of Subsection (3):
- (a) the Employers' Reinsurance Fund created in Section 34A-2-702;
 - (b) the Uninsured Employers' Fund created in Section 34A-2-704;
 - (c) a local government other post-employment benefits trust fund under Section 51-7-12.2; and
 - (d) a nonnegotiable deposit made in accordance with Section 53B-7-601 in a foreign depository institution as defined in Section 7-1-103.

(5) If any of the deposits authorized by Subsection (3)(a) are negotiable or nonnegotiable large time deposits issued in amounts of \$100,000 or more, the interest shall be calculated on the basis of the actual number of days divided by 360 days.

(6) A public treasurer may maintain fully insured deposits in demand accounts in a federally insured nonqualified depository only if a qualified depository is not reasonably convenient to the entity's geographic location.

(7) Except as provided under Subsections (3)(j) and (k), the public treasurer shall ensure that all purchases and sales of securities are settled within:

(a) 15 days of the trade date for outstanding issues; and

(b) 30 days for new issues.

Section 2. Section **51-7-15** is amended to read:

51-7-15. Bonds of state treasurer and other public treasurers -- Reports to council.

(1) (a) The state treasurer, county, city, and town treasurers, the clerk or treasurer of each school district, and other public treasurers that the council designates by rule shall be bonded or may procure crime or theft insurance as allowed in Section ~~17-16-11~~ **31A-1-103** ~~17-16-11~~ in an amount of not less than that established by the council.

(b) The council shall base the minimum bond amount or crime or theft insurance as allowed in Section ~~17-16-11~~ **31A-1-103** on the amount of public funds normally in the treasurer's possession or control.

(2) (a) When a public treasurer deposits or invests public funds as authorized by this chapter, the public treasurer and the public treasurer's bondsmen or insurers are not liable for any loss of public funds invested or deposited unless the loss is caused by the malfeasance of the public treasurer or a member of the public treasurer's staff.

(b) A public treasurer and the public treasurer's bondsmen or insurers are liable for a loss for any reason from deposits or investments not made in conformity with this chapter and the rules of the council.

(3) (a) A public treasurer shall file a written report with the council on or before January 31 and July 31 of each year.

(b) The report shall contain:

(i) the information about the deposits and investments of that public treasurer during

the preceding six months ending December 31 and June 30, respectively, that the council requires by rule; and

(ii) information detailing the nature and extent of interest rate contracts permitted by Subsection 51-7-17(3).

(c) A public treasurer shall make copies of the report available to the public at the public treasurer's office during normal business hours.

Section 3. Section 51-7-16 is amended to read:

51-7-16. State Money Management Council -- Members -- Terms -- Vacancies -- Chair and vice chair-- Executive secretary -- Meetings -- Quorum -- Members' disclosure of interests -- Per diem and expenses.

(1) (a) There is created a State Money Management Council composed of five members appointed by the governor after consultation with the state treasurer and with the consent of the Senate.

(b) The members of the council shall be qualified by training and experience in the field of investment or finance as follows:

(i) at least one member, but not more than two members, shall be experienced in the banking business;

(ii) at least one member, but not more than two members, shall be an elected treasurer;

(iii) at least one member, but not more than two members, shall be an appointed public treasurer; and

(iv) two members, but not more than two members, shall be experienced in the field of investment.

~~[(c) No more than three members of the council may be from the same political party.]~~

(c) The members of the council shall be appointed without regard to the members' political party affiliation.

(2) (a) Except as required by Subsection (2)(b), the council members shall be appointed for terms of four years.

(b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of council members are staggered so that approximately half of the council is appointed every two years.

(c) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.

(d) All members shall serve until their successors are appointed and qualified.

(3) (a) The council members shall elect a chair and vice chair.

(b) The state treasurer shall serve as executive secretary of the council without vote.

(4) (a) The council shall meet at least once per quarter at a regular date to be fixed by the council and at other times at the call of the chair, the state treasurer, or any two members of the council.

(b) Three members are a quorum for the transaction of business.

(c) Actions of the council require a vote of a majority of those present.

(d) All meetings of the council and records of its proceedings are open for inspection by the public at the state treasurer's office during regular business hours except for:

(i) reports of the commissioner of financial institutions concerning the identity, liquidity, or financial condition of qualified depositories and the amount of public funds each is eligible to hold; and

(ii) reports of the director concerning the identity, liquidity, or financial condition of certified dealers.

(5) (a) Each member of the council shall file a sworn or written statement with the lieutenant governor that discloses any position or employment or ownership interest that he has in any financial institution or investment organization.

(b) Each member shall file the statement required by this Subsection (5) when he becomes a member of the council and when substantial changes in his position, employment, or ownership interests occur.

(6) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

Section 4. Section 51-7-23 is amended to read:

51-7-23. Transition of investments previously authorized.

245 (1) Any investment held by a public treasurer that as of June 30, 2015, is not in
246 compliance with the provisions of this chapter is subject to review by the council.

247 (2) (a) No later than July 31, 2015, a public treasurer who holds an investment
248 described in Subsection (1) shall provide the council a written report that outlines a reasonable
249 plan to bring the investment into compliance.

250 (b) A plan described in Subsection (2)(a) is subject to annual review by the council.

251 (c) The council may authorize, with substantial justification, an exception to the five
252 year maturity requirements of Section 51-7-11.

Legislative Review Note
Office of Legislative Research and General Counsel